



February 20, 2014

**Testimony of Peter A. Kuhnmuench  
Executive Director, Insurance Institute of Michigan  
House Committee on Local Government**

Good morning,

I am Peter Kuhnmuench and I am the Executive Director of the Insurance Institute of Michigan (IIM). The IIM is the largest state trade association representing the property and casualty insurance industry in Michigan.

Our members represent:

78% of all personal automobile insurance policies written in this state,

67% of all home owners policies written in this state and;

Our members write over eight and one-half billion dollars in premiums each year in Michigan to insure all aspects of our lives. From property protection, to workers' compensation insurance, to home owners coverage, to medical liability protection, to business owners policies and more.

Thank you for the opportunity to express our concerns surrounding House Bill No. 5045.

Our concerns with House Bill No. 5045 are related directly to consumer safety and benefits awarded under Michigan's no-fault automobile insurance laws.

Like Off Road Vehicles, golf carts are not designed to navigate on roadways with fully licensed and registered motor vehicles. Statutorily allowing golf carts to travel upon the roadways, will only serve to increase the incidence of golf cart accidents and the resulting personal injury claims upon the no-fault system.

These claims can occur in two types of accidents:

#1 A golf cart – motor vehicle collision. In these cases, the insurance code treats the golf cart rider just as it would a pedestrian or bicyclist. There will be full personal injury protection benefits to any injured golf cart operator or passenger. - (priority of coverage apply under section 500.3115 of the code)

We are in discussions with the bill's sponsor and appreciate his willingness to talk through these issues, however, we cannot and will not support the bill in its current form. We have great reservations about knowingly allowing individuals to drive in an environment which exposes them to increased risk of injury and death.

Thank you for your attention this morning. I would be happy to try and answer any questions the committee members may have.

We are in discussions with the bill's sponsor and appreciate his willingness to talk through these issues, however, we cannot and will not support the bill in its current form. We have great reservations about knowingly allowing individuals to drive in an environment which exposes them to increased risk of injury and death.

- 3 years of replacement services at up to \$20 per day.
- 3 years of wage loss (Up to a maximum of \$63,384 per year lifetime)
- Unlimited lifetime medical coverage (all reasonable and necessary expenses paid over a

As many of you know, Michigan has the highest mandatory personal injury protection (PIP) benefits of any state in the country. They include:

Obviously, the additional accident exposures created by legally allowing, even encouraging golf carts to navigate upon the roadways, will increase the number of claims on the no-fault system. And these claims are not supported by any premium payments, as golf carts are not defined as a motor vehicle for purposes of mandatory insurance coverage.

#2 Single vehicle golf cart accidents on roadways. Courts have awarded no-fault benefits in these circumstances, even when the golf carts are illegally driven on the roadways.